

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

July 6, 2004  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee

ABSENT: None.

1. Executive Session

Deputy Mayor Noble opened the meeting at 6:01 p.m. and announced recess to Executive Session for 20-30 minutes to discuss one item of labor negotiations.

The meeting resumed at 6:28 p.m. with Mayor Marshall presiding. Mrs. Marshall thanked City staff and community sponsors for the 4<sup>th</sup> of July celebration in Downtown Park.

2. Study Session

(a) Development Services (DS) Performance Update

Deputy City Manager Ed Oberg announced that Mike Brennan is now Deputy Director of Development Services.

Mr. Brennan recalled the Development Services Improvement initiative launched two years ago following Council direction to improve speed, predictability, and customer service. The management strategy supporting this effort focused on the development of performance measures, alignment between workload and resources, a funding structure that supports the business through economic cycles, a reliable workload and financial forecasting tool, and getting in touch with customer needs.

Mr. Brennan reported that workload and revenue increases are expected to continue, and the demand for inspection services is outpacing capacity in some areas. Development Services is adding LTE (limited term employee) inspectors to respond to the increased workload and will carefully monitor workload demands within the review function. The performance measure goal for processing permits within their targeted time lines is set aggressively at 80 percent. A performance measure of 74 percent was achieved in 2003, and the year-to-date measure as of

May is 73 percent. Mr. Brennan attributed this to longer processing times for residential permits due to increased workloads and staff training sessions.

A 2003 survey of Development Services customers indicates that 83 percent of respondents feel Bellevue is doing a good job inspecting projects and reviewing permit applications. A higher positive rating was achieved for 23 out of 25 questions compared to customer ratings in 2002. One question related to the consistency of inspections received a higher number of negative ratings than in 2002.

Recent changes in Development Services include: 1) the creation of a single point of accountability for all permit operations with Mr. Brennan as Deputy Director, 2) assigning a project manager as the point of contact for complex land use and/or discretionary approvals, 3) establishment of a single point of contact for Development Services complaints and issues across all departments, 4) implementation of a uniform performance evaluation system for all Development Services staff, and 5) privatization of inspections for some non-city-owned drainage systems.

Mr. Brennan said 2004 priorities are to:

1. Expand the project manager/single point of contact structure to cover engineering review and inspection.
2. Improve performance monitoring and management.
3. Coordinate regional transition to new International Building and Fire Codes.
4. Improve accountability and customer service for inspections.
5. Improve communication and consistency between reviewers and inspectors.
6. Continue to evaluate policies and regulations with customers to identify opportunities for improvement.

Responding to Dr. Davidson, Mr. Brennan said predictability and timeliness are the most important factors for professional developers. Homeowners tend to be more concerned about permit fees.

Mr. Degginger is pleased with the progress of the Development Services initiative and encouraged continued improvement in the consistency of inspections. Responding to Mr. Degginger, Mr. Brennan said the performance evaluation system includes criteria in the areas of technical expertise, customer service, and compliance with work rules. Mr. Degginger asked staff to notify Council about meetings with customer groups and to provide meeting minutes for Council.

Councilmember Lee commented on the important role of Development Services in the community's overall economic development.

Responding to Mr. Noble, Mr. Brennan said the inconsistency in inspections has been addressed in part by establishing a single point of contact/project manager for complex projects. Additional efforts include enhanced training and communication opportunities for inspectors and the use of checklists to increase consistency.

Mayor Marshall commended staff's efforts and reported a decrease in emails and complaints regarding permit processing and development services.

(b) 2005-2006 Operating Budget and 2005-2011 CIP Plan – Revenue Policies and Alternatives for General Fund and Capital Investment Program (CIP)

Finance Director Jan Hawn opened discussion of the City's revenue policies and funding alternatives for the General Fund and Capital Investment Program. Staff is not requesting Council direction tonight but wanted to provide this information before the upcoming budget retreat.

Jonathan Swift, Budget Manager, said the three primary revenue policy goals are stability, equity, and the future vision for the city. Stability refers to the revenue stream and is important in terms of providing core services despite economic fluctuations. Similarly, it is important to not use grants to fund ongoing services because continued service delivery will be jeopardized when funds are no longer available. Equity includes the principle that the tax burden should be equitably distributed among citizens as well as balancing progressive revenues against regressive revenues. Income taxes are generally thought of as a progressive revenue stream. Utility taxes are considered regressive because citizens pay the same rate regardless of income, and therefore lower income individuals pay a higher percentage of their income for the same level of service. Stability and equity are balanced with the future vision for the City, which guides policy and financial decisions in the present.

Compared to other cities, Bellevue has the lowest property tax rate of Washington cities with populations over 30,000. Bellevue's B&O tax rate is average, utility rates are generally lower, and the City does not charge a cable utility tax.

Mr. Swift said approximately \$18.6 million in revenue authority is available to the City in banked capacity, utility tax capacity, B&O tax capacity, one-time sales tax revenues, and the Rainy Day Reserve.

Responding to Mr. Lee, Mr. Swift said \$4.4 million is available in the Rainy Day Reserve.

Responding to Mayor Marshall, Ms. Hawn confirmed there will be an upcoming budget discussion on reserves. Ms. Balducci suggested a review of the LEOFF I reserve in light of health care costs that continue to increase. Mr. Chelminiak concurred. Mayor Marshall requested statistics for disability retirements versus service retirements.

Responding to Mr. Degginger, Mr. Oberg explained that the Rainy Day Reserve was established in 1984 with the intent of providing sufficient reserve funds to cover a two-year period in the event of a recession. The reserve level was set at five percent of the City's non-discretionary expenditure level, which is consistent with comparable cities.

Responding to Mr. Chelminiak, Dr. Davidson said the Rainy Day Reserve is structured to be utilized following a recommendation by the City Manager and Council approval.

Ms. Hawn noted the existence of the City's Rainy Day Reserve is viewed favorably by bond rating agencies.

(c) Bond Refunding for 1991 and 1994 Waterworks Utility Bonds

Ms. Hawn explained that staff continually reviews the City's debt portfolio to identify bonds eligible for refunding. Staff seeks Council authorization for the issuance and sale of Waterworks Utility revenue refunding bonds. The refunding bonds are scheduled to be competitively sold on July 29, and a special meeting is scheduled on July 29 for Council action.

Mayor Marshall noted Council support of the bond refunding and thanked staff for their monitoring of the debt portfolio. Responding to Mr. Noble, Ms. Hawn confirmed the bonds recently became eligible for refunding.

(d) Crossroads Community Center Expansion Update

Parks and Community Services Director Patrick Foran opened discussion regarding the expansion of Crossroads Community Center. He thanked State Representative Ross Hunter for his role in securing a \$500,000 grant through the state legislature for this project. Mr. Foran said the park is heavily used by the community and has experienced a series of improvements over the past five years.

Glenn Kost, Planning/Design Manager, recalled Council approval in 1994 to acquire additional property along the east side of Crossroads Park to expand the park and enhance its visibility to the community. In 1997, 5.5 acres along NE 8<sup>th</sup> Street were acquired by the City. The updated master plan was adopted in 1998, and CIP funding was approved to fund portions of the plan.

Pam Fehrman, Project Manager, reviewed park improvements during the past few years. The first major construction phase occurred in 2001 and added a plaza, restrooms, children's play area, grass field, and parking facilities. The golf course and club house were renovated in 2002 and 2003, and an expanded playground was added in 2003 through NEP (Neighborhood Enhancement Program) funding. Improvements continued along NE 8<sup>th</sup> Street into 2004 with the addition of a picnic shelter. A skate court and water play area are planned for 2005 and beyond.

The Community Center is currently 16,000 square feet and will be expanded by 3,000-4,000 square feet. Programs are available for all ages, and meetings rooms are available for public use. Ms. Fehrman described public outreach activities to identify the best use of expansion space. Programming and building needs include: 1) a large, multi-use space, 2) storage, 3) improved layout and pedestrian circulation throughout the center, and 4) better use of existing spaces. She presented the following project time line:

- Summer 2004 – Design development
- 2004/2005 – Construction documents and permitting
- Spring/Summer 2005 – Construction, and

- Fall 2005 – Grand Opening.

Councilmembers expressed support for the project. Mr. Kost reminded them of the Rotary's financial contribution for the water play area to be developed.

3. Council Business [Regular Session Agenda Item 6]

Deputy Mayor Noble invited Councilmembers to the Bridle Trails State Park Foundation picnic on July 10.

Dr. Davidson attended meetings of a Shared Strategies subcommittee and the WRIA 8 Steering Committee, both of which deal with water and salmon habitat issues.

Mr. Chelminiak attended the 4<sup>th</sup> of July celebration in Downtown Park.

Mr. Degginger continues to work on Cascade Water Alliance issues.

Mayor Marshall attended a Bellevue Art Museum event to meet the new executive director and chief curator, Michael W. Monroe. She welcomed Whole Foods to the community.

At 7:50 p.m., Mayor Marshall declared recess to the Regular Session.

Myrna L. Basich  
City Clerk

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